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SEVENTH-GRADE BANKING

Each year the march of world events adds so immeasurably to the heritage of man that the most optimistic among teachers must approach his work with a daily increasing sense of responsibility—a responsibility which takes into account the fact that, in spite of the increasing complexity and richness of the life surrounding us, and our natural curiosity to understand it all, the time devoted to the building of the character and the training for social efficiency is not at all, or at best only slightly, increased. It leads us to ask, what is the value of every hour of childhood or adolescence in terms of what we call education? How can education proceed scientifically and economically? What adjustment can pedagogy make between the dictates of tradition, of preconceived notions of the function of the school, of what the mature mind considers essential knowledge and power, and what the child longs to know and will consider worthy of his attention and effort? This momentous question is now attaining such definition of detail for us all that we may soon hope for the bridging over of the great gap between the psychologist's laboratory and the schoolroom. Observation and teaching experience, however, point to the lead of Dr. John Dewey, who says in *Interest as Related to Will*:

“But just as our psychology shows us that ideas arise as the definition of activity, and serve to direct that activity in new expressions, so we need a pedagogy which shall lay more emphasis upon securing in the school the conditions of direct experience and the gradual evolution of ideals in and through the constructive activities; for it is the extent in which any idea is a projection of natural tendencies that measures its weight, its motive power, its interest.”

Even in the most modern schools, where an effort is made to bring every possible contribution to pedagogy to bear in the educative process, there is still heard the cry that the teaching of the mechanics of the three R's requires far too great a proportion of time. Why is it? If it is true, it must be that these obstacles to richer childhood are still being taught as ends instead of means. What is meant by motivation of the subject-matter to be taught must still be misunderstood. The real inner motive power in the child must often be lack-

ing when we think it is present. A seemingly genuine participation in the activities about him may still be a very superficial one after all. Are we giving him every opportunity to occupy himself with activities which will prove to him intellectually and emotionally that the three R's *are* only means to a great wealth of ends; that in exchange for the precious time saved in their mastery he will have leisure to hold communion with the workers who search the everlasting truth? Are we constantly helping him to measure definitely his own efforts and growth in terms of efficiency, not marks? Does he look upon the hours given over to drill as an opportunity to perfect his efficiency for real activity? Does he look upon the recitation period not as a time to repeat for the teacher what he has studied in a book, but an opportunity to organize, with the help of all the class and the teacher, ideas or groups of ideas into working principles or experience for the regulation of his actions?

With these and other questions in mind, a plan was organized for use in the seventh grade by which business arithmetic and its applications could be more satisfactorily taught. The children seek from among their number two boys and two girls, who in a series of tests on the four operations in whole numbers, fractions, and decimals, and their application in common problems of denominate numbers, mensuration, etc., prove themselves most accurate and quick at computation. These fortunate ones act as paying and receiving tellers, the girls working in the "Woman's Department," of a play bank. The other children represent retail firms of all kinds, excluding department stores for obvious reasons. They spend several weeks in gathering information from trades people about their wares and prices and expenditures; compile catalogs, make copies for distribution, and plan advertisements, rates of discount on large or cash sales, etc.

The bank is a case resembling a bookcase, containing the account books, and boxes for coin and currency, blanks of all kinds, deposit-slips, individual bank-books, check-books, drafts, bills, receipt-books, etc., and a cash box for each teller. Below is the "vault," where each firm stores its cash box for the night. While the firms are preparing to open up business, the tellers are taking stock of all the currency and coin and preparing generally for rush hours at the bank. They readily foresee impending difficulties and plan to overcome them; they soon learn that the rapid and accurate counting of money, which seems a negligible task, is really a difficult one. One

class invented what they called a "money-counter," to aid in handling larger sums.



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As soon as the class has tested itself on the making and balancing of a cash-account, the writing of orders, bills, receipts, etc., operations begin. Each firm starts with a capital of some two or three hundred dollars, which is later on increased as necessity demands. The currency is play money bought at a school-supply house, and the coin is printed by the children on different colors of heavy bristol-board. All the business forms used, such as check-books, bank-books, drafts, promissory notes, bill-heads, etc., are also printed by the children. (Some of these are shown in Volume I of the Year Book, p. 100.) To simplify operations in the beginning, the factors of business competition, supply and demand, running expenses (such as rent, insurance, license, or tax) are all eliminated—merely discussed. No actual materials are bought and sold, this phase of the work being wholly a matter of imagination. To insure a successful start, each firm makes out only three or four orders per day, the number being increased only as the children become more expeditious and accurate. Each child owns a list of the firms, and orders are made out in rotation to simplify the checking of errors. The cata-

logs which are used as guides in making out orders are often unique, revealing to the teacher undiscovered traits in the children.

To control the quality of the formal English used in this work an extra charge of ten cents is made for every mistake discovered by the recipient of any document. For any mistake found on advertisements displayed before the public, any beholder may collect ten cents.

At the opening of the period the orders are delivered, whereupon bills are made out and collected. At a given time, the market closes and cash accounts are balanced. All firms whose cash accounts agree with the cash on hand may deposit boxes in the vault. Those who cannot balance accounts seek for the errors and are not open for business until they are found. The first few days of work bring a flood of mutual advice which is often put into written form for reference. Following are some points noted by the novices in the backs of their cash books.

1. If your cash-box does not agree with the "cash on hand" in the book, look for errors in the following ways:

a. Count your money on a money-counter, add up the debit and credit columns, first from the top and then from the bottom, then subtract several times and prove the subtraction.

b. If you cannot find your mistake and are willing to give up, ask some one to count your money for you.

c. If you still cannot find mistakes, look up the orders and bills for the day. You may have forgotten to record a sale or an expenditure.

d. Look at the "cash on hand" of the day before—that is, the number you carried over for the balance. You may have carried over the proof instead of the balance.

2. Deposit as much money as possible in the bank. Then you will have less to count every day.

3. Enter all transactions immediately in the cash book. Do not depend upon your memory at the end of the day.

4. Never pay or accept money without counting it.

5. Have a place for everything. You are less apt to make a mistake and do not have to take time to hunt when customers are in a hurry.

6. Do not talk to people who are counting or adding.

7. Warn those who leave money lying about or who drop it. It will avoid mistakes.

8. Never talk so your neighbor can hear; he may be counting.

9. Hurry makes mistakes. Do not hurry others, and do not wait for them. Do other things while you are waiting. It will save your time.

For a few days, just at the beginning, all business is suspended until all errors for the day are checked. The children's comments are an indication of the effect on their attitude toward accuracy and other matters. "It wouldn't be so bad if my mistake didn't make other people's accounts go wrong." "I'm going to watch myself. Sometimes I can't remember what I did." "A man who doesn't make mistakes has more time to do business." "You have to do numbers in your head if you want to be quick." "It seems that the faster you think, the fewer mistakes you make." "Some people talk too much to buy just a little. Do storekeepers lose money that way? Sometimes other customers are waiting. What can the storekeeper do? Because, if he gets cross, the customers may not come back."

A careful record is kept by the children of the quality and quantity of the work accomplished each day. As soon as there is evidence of more power in either or both directions, new phases are introduced. As soon as checks are handled with ease, savings are opened. Surrounded by the simpler elements of trade conditions, the children look upon the great variety of business forms, such as deposit-slips, receipts, retail and wholesale billheads, checks, drafts, sight-drafts, promissory notes, bank-notes, etc., not as burdensome and confusing bugbears, but rather as friendly aids in simplifying and promoting business operations. In time some retail firms go into wholesale business when it becomes necessary for all the merchants to understand the more intricate business relations which involve discount, investments, etc., and which lead to discussions on such topics as the clearing-house, banking methods, and their development, reserve banks, international trade and loans, tariff, and so on. This constructive play, carried on so simply and in such modified form, but nevertheless with great earnestness and absorption, seems to afford sufficient contact to bring from even the slower members of the group questions which do not stop short of political economy itself. So far no group has failed to ask, "What does it mean to make money? With us money only changes hands. It never grows more when you add up what everybody has. It isn't that way with people and countries, is it?" "What's the difference between money and wealth?" The answers come, some promptly, and some after many days of thinking, with just as little suggestion and interference from the teacher as possible at first. "Money comes from work." "No, I think some of it comes from trading. The more and the faster you trade, the more you

make." "But who makes the things you trade?" "The crops that grow every year must be the wealth, then?" "And what we get from the earth other ways, like from mines." "Yes, but we use up the food that is raised every year." "Yes, but you have to work to earn the money to buy the food." "The farmers and miners must be the real workers then." "When prices go up, does it mean there are too many people in cities and not enough on farms?" The foregoing comments give only a glimpse of the whole fabric of questions of this and other types. It becomes the duty of the teacher and the class to choose from the mass such subjects for discussion as will give the fullest satisfaction for the time allotted. The choice may fall, for example, between a question of coinage and one of ethics. One group of children asks: "How do they ever know how much of each denomination of money to coin?" "Why don't we have one-half cent or three-cent pieces, too?" "Does a country have to coin or make just as much money as its wealth represents?" Another child asks: "If a man buys a lot cheap because he knows another man wants it very much, and then sells it to the other man for much more, is that fair? He didn't have to work to make that money. Should trading bring as much money as work?" It has happened when a lack of time demands that a choice be made, that a child says, "We could read up about coining money and such things in a government book outside of class, couldn't we? But we couldn't read about what's fair in a book, I think. Please tell us about that." This, though gratifying to the teacher, does not mean that he would not have found it much easier to discuss the questions of coinage than the matter of business ethics and the significance of the term "success in business."

It has occurred several times that our visitors from foreign countries have looked upon this work in business arithmetic as a very questionable undertaking, voicing fears that it might over-emphasize the commercial instinct already commonly associated with Americans, at the expense of higher and more spiritualizing culture. On first thought, this seems a natural inference to make. Closer observation, however, bears out the conclusion that by this constructive association with the ethics of business it is possible for deeper and more lasting impressions to be made before the finer and more instinctive moral reactions of some children are dulled or before the judgments of others are formed at all. This early acquaintance with business operations may help to place this subject in its correct perspective.